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September 17, 2004

The Honorable A.G. Kawamura, Secretary
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: Land O' Lakes Petition for a Class 4a/4b Hearing

Dear Mr. Secretary:

Western United Dairymen respectfully requests that the petition submitted by Land O' Lakes (LOL) be denied at this time. LOL seeks adjustments to the manufacturing cost allowances for butter, nonfat dry milk, cheddar cheese and dry whey as well as adjustments to the f.o.b. price adjusters and cheese yield. Of primary concern is the fact that the Department will be releasing their yearly Manufacturing Cost Study in November. Any hearing called prior to the release of the full set of data in November would be premature.

LOL has requested the Department to conduct energy and labor updates, using the November 2003 Manufacturing Cost Study as a base. The time and energy required by Department staff to conduct these updates would be cumbersome and unnecessary since the full report will be released in November. Any time spent on the requested updates may lead to a delay in the full report. It is the full report that will give the industry the adequate information from which to make well-informed and justified changes to the system.

We see no justification for the call of a hearing at this time and hope you will take measures to avoid unnecessary requirements of your staff. We thank you for your careful consideration of this matter.

Very truly yours,

Michael L. H. Marsh, CPA
Chief Executive Officer

cc: David Ikari, Dairy Marketing Branch Chief
Board of Directors, Western United Dairymen
Tiffany LaMendola, Western United Dairymen